

EXECUTIVE SECRETARIAT **Routing Slip**

TO:

		ACTION	INFO	DATE	INITIAL
1	DCI		✓		W
2	DDCI		✓		
3	EXDIR		✓		
4	D/ICS				
5	DDI				
6	DDA				
7	DDO				
8	DDS&T				
9	Chm/NIC				
10	GC				
11	IG				
12	Compt				
13	D/EE0				
14	D/Pers				
15	D/OEA				
16	C/PAD/OEA				
17	SA/IA				
18	AO/DCI				
19	C/IPD/OIS				
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SUSPENSE		Date			

Remarks:

Executive Secretary
2/19/82
Date

STAT

CABINET AFFAIRS STAFFING MEMORANDUM

Executive Order
82-2434

DATE: February 18, 1982 NUMBER: 050160CA DUE BY: -----

SUBJECT: Statements by the President and a Fact Sheet

ACTION		FYI	ACTION		FYI
ALL CABINET MEMBERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Baker	<input type="checkbox"/>	<input type="checkbox"/>
Vice President	<input type="checkbox"/>	<input type="checkbox"/>	Deaver	<input type="checkbox"/>	<input type="checkbox"/>
State	<input type="checkbox"/>	<input type="checkbox"/>	Anderson	<input type="checkbox"/>	<input type="checkbox"/>
Treasury	<input type="checkbox"/>	<input type="checkbox"/>	Clark	<input type="checkbox"/>	<input type="checkbox"/>
Defense	<input type="checkbox"/>	<input type="checkbox"/>	Darman (For WH Staffing)	<input type="checkbox"/>	<input type="checkbox"/>
Attorney General	<input type="checkbox"/>	<input type="checkbox"/>	Jenkins	<input type="checkbox"/>	<input type="checkbox"/>
Interior	<input type="checkbox"/>	<input type="checkbox"/>	Gray	<input type="checkbox"/>	<input type="checkbox"/>
Agriculture	<input type="checkbox"/>	<input type="checkbox"/>	Beal	<input type="checkbox"/>	<input type="checkbox"/>
Commerce	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Labor	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HHS	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HUD	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Transportation	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Energy	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Education	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Counsellor	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
OMB	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
CIA	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
UN	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
USTR	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
CEA	<input type="checkbox"/>	<input type="checkbox"/>	CCNRE/Boggs	<input type="checkbox"/>	<input type="checkbox"/>
CEQ	<input type="checkbox"/>	<input type="checkbox"/>	CCHR/Carleson	<input type="checkbox"/>	<input type="checkbox"/>
OSTP	<input type="checkbox"/>	<input type="checkbox"/>	CCCT/Kass	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	CCFA/McClaghry	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	CCEA/Porter	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS: Attached for your information are copies of the President's statements and a fact sheet released at his press conference held earlier today.

RETURN TO:

Craig L. Fuller
Assistant to the President
for Cabinet Affairs
456-2823

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L-299A

THE WHITE HOUSE

Office of the Press Secretary

FOR RELEASE AT 2:00 P.M. EST

February 18, 1982

STATEMENT BY THE PRESIDENT

One year ago, I went before the American people to say that we had inherited the worst economic mess in half a century. Inflation and interest rates were both at towering levels. Unemployment was far too high and the economy seemed almost stagnant.

Since then, we have made progress on many fronts. Inflation, our number one enemy, came down by nearly 30 percent last year and it's still falling. With the help of the Congress, we also began laying a foundation for sustained economic growth.

Obviously, we aren't out of the woods yet. There will still be some difficult days ahead. But at least we're heading toward a clearing.

One of my major concerns today is high interest rates. They hurt everyone -- people who must borrow, families who want to buy a new home, businesses struggling to get ahead. High interest rates present the greatest single threat today to a healthy, lasting recovery.

The high level of current interest rates reflects two concerns in the financial community. Some fear that the Federal Reserve Board will revert to the inflationary monetary policies of the past. Others worry that this Administration will tolerate ever widening budget deficits. I want to make it clear today that neither this Administration nor the Federal Reserve will allow a return to the fiscal and monetary policies of the past that have created our current conditions.

I have met with Chairman Volcker several times during the past year. We met again earlier this week. I have confidence in the announced policies of the Federal Reserve Board. The Administration and the Federal Reserve can help bring inflation and interest rates down faster by working together than by working at cross purposes.

This Administration will always support the political independence of the Federal Reserve Board. We also support the Federal Reserve's 1982 money growth targets, which are fully consistent with the Administration's economic projections for the coming year.

At the same time, I am sensitive to the need for a responsible fiscal policy to complement a firm, anti-inflationary monetary policy. I will devote the resources of my Presidency to keeping deficits down over the next several years.

I am confident that by pursuing a prudent course of sound fiscal and monetary policies, inflation will continue to decline, interest rates will fall, and we will once again enjoy sustained economic growth.

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Office of the Press Secretary

For Release at 2:00 p.m. EST

February 18, 1982

STATEMENT BY THE PRESIDENT

In my State of the Union message, I said the time had come to "control the uncontrollable" in runaway government spending. I also indicated that I would be announcing further measures to achieve this goal.

Today I am making such an announcement. The need for the step I am taking is clear. Our government is spending money at a rate that is intolerable if not incomprehensible -- almost two billion dollars a day; one million four hundred thousand dollars a minute; and about twenty-three thousand dollars a second.

The interest on our national debt alone is greater than the entire budget of many countries. It is simply not right for us to squander money that our grandchildren will be held accountable for. We must reverse the process.

As an important step in this direction, I am announcing the establishment of the Private Sector Survey on Cost Control in the Federal Government. This Presidential initiative will be conducted by outstanding experts from the private sector. They will report directly to me and I have made it clear that, in examining government efficiency, I expect them to roll up their sleeves and search out waste and inefficiency wherever it is to be found in the federal establishment.

This is not going to be just another blue ribbon, ornamental panel. We mean business and we intend to get results.

Members of the Survey will be responsible for an in-depth review of the entire executive branch of government. Working with the Inspectors General and the Council on Integrity and Efficiency, which have provided an inside look at how we can improve management of the executive branch, the Private Sector Survey will give us an objective outsider's view on improving management and reducing federal costs. Special emphasis will be placed on eliminating overlap, red tape and duplication, identifying non-essential administrative activities, and increasing management effectiveness.

In a few days, I will announce the names of the distinguished Americans who will serve as the chairman and members of the Executive Committee of the Survey. All of them will be proven leaders in their fields, all of them will bring know-how and a no-nonsense, results-oriented approach to this crucial undertaking, and all of them will offer their services as unsalaried volunteers.

Our evaluation will begin with the Departments of Defense, Health and Human Services, and Housing and Urban Development. In turn, other departments and major agencies will be given a detailed evaluation. This will be the largest effort of its kind ever mounted to save tax dollars and improve the working of government.

The American people deserve no less; it is their money the government is spending in such over-sized amounts, too often unwisely and wastefully.

I will ask the Congress to cooperate in putting the recommendations of the Survey into practice. Government has grown too fast, and the economic stakes for the American people are too high, for politics-as-usual on this vital issue. We all face an economic problem that has been building over many years. We all must work together to correct it.

THE WHITE HOUSE
Office of the Press Secretary

For Release at 2:00 pm EST

February 18, 1982

FACT SHEET

Presidential Private Sector Survey on Cost Control
in the Federal Government

Concept

President Reagan today announced plans for setting up a private sector-sponsored task force to find new ways of controlling the costs of operating the Federal Government. The task force will assist the various departments, agencies, and independent establishments of the Executive Branch to perform their duties in the most cost-effective and efficient manner possible. The task force will be made up of citizens from across the country, drawing particularly from industry, labor, and the academic communities. The Survey group will be an independent 501(c) (3) charitable organization.

The Inspectors General, the Assistant Secretaries from Management, and the Office of Management and Budget will assist the survey teams as necessary and designate areas of interest in each agency for special survey emphasis.

A tax-exempt organization will be established with industry, labor and the academic communities contributing financial and personnel resources.

Objective

Special emphasis will be placed on eliminating operational overlap and duplication, identifying nonessential administrative activities and increasing management effectiveness. Primary attention of the task force will be devoted to areas where maximum benefits can be realized from the efforts expended. To achieve measurable results, recommendations will:

- o Identify opportunities for increased efficiency and reduced costs that can be realized by Executive action, Executive Order or Congressional legislation.
- o Determine areas where managerial accountability can be enhanced and administrative control can be improved.
- o Suggest managerial operating improvements over both the short and long term.
- o Pinpoint specific areas where further study can be justified by potential savings.

Organization

Three basic groups -- the Executive Committee, the Operating Committee, and Unit Committees -- will form the task force. It is anticipated that many individuals will be involved in the project on a volunteer basis.

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o The Executive Committee will consist of leaders from the business, labor and academic communities. Members will be selected for their special abilities to give detailed advice on cost-effective management of large organizations. A chairman of the Executive Committee is expected to be named shortly.

o The Operating Committee will be headed by James W. Nance. Government involvement and assistance will be minimal.

o Unit Committees will consist of varying membership depending on the department or agency under review. A unit leader will be designated from the private sector and will participate in the selection of his/her unit from available resources.

Scope

This nonpartisan, nonpolitical review will be concerned with all major departments, agencies, independent establishments, and government organizations comprising the Executive Branch of the Government. Initial emphasis will be on the Department of Defense, the Department of Health and Human Services, and the Department of Housing and Urban Development. Other departments and major agencies will be examined in turn.

The survey will concentrate on eliminating duplication and inefficiency. Policy, programs and organizational structure will not be specifically addressed unless special circumstances so dictate.

Funding

Salaries and expenses of the full- and part-time management specialists will be paid by their respective employers. In addition, private sector organizations will provide funding and services to support the work of the task force.

Reports

Periodic reports outlining the findings and recommendations of the task force will be submitted to the President.

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